

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2022 – SB 1953

February 23, 2016

SUMMARY OF ORIGINAL BILL: Authorizes the Department of Transportation (TDOT) to construct and operate a mass transit system on the shoulder of any state and interstate highway.

Authorizes TDOT to enter into a contract with transportation providers to operate the mass transit system, and to consult with the federal highway commission, metropolitan and rural planning organizations, local and regional transit authorities, and affected counties and cities along the right of ways of the affected highways.

Authorizes TDOT to identify sources of funding for operation and construction of the system, and to establish necessary procedures for the safety of passengers and vehicles on or adjacent to the system.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent the Department of Transportation undertakes a mass transit project pursuant to the provisions of this bill; one-time costs for development and construction are reasonably estimated to exceed \$1,000,000; and recurring costs for operation and maintenance are reasonably estimated to exceed \$100,000. Depending on the specifics of any given project undertaken, the costs could be funded with various combinations of federal, state, and local funding. The timing for any such expenditure is unknown. In addition, and to the extent user fees could be charged, some portion or all expenditures incurred could be recaptured.

SUMMARY OF AMENDMENTS (012279, 012544): Amendment 012279 deletes and rewrites the bill, and amendment 012544 replaces language in Section 1 of the bill as amended by amendment 012279 and adds a new section to the legislation, such that the bill as amended: authorizes the Department of Transportation (TDOT) to construct or improve the shoulder or right-of-way of state and interstate highway for the operation of buses and authorize one or more publicly owned mass transit agencies to operate such buses; authorizes publicly owned mass transit agencies, upon being authorized by the Department, to operate the buses or contract with private operators, provided they have documented procedures for the safe operation of buses; and authorizes TDOT to identify sources of funding for operation and construction of the system, and to establish necessary procedures for the safety of passengers and vehicles on or adjacent to the system.

The bill as amended also: authorizes a driver of a publicly-owned transit agency bus to pass a vehicle upon the right when operating on the shoulder of a state or interstate highway as authorized by the Department; creates a Class C misdemeanor offense for the operation of a vehicle on the shoulder of a state highway, other than a bus authorized by TDOT or an emergency vehicle' and requires the Department to submit a detailed report on the status of any shoulder right-of-way for the construction or improvement for bus operation to the Transportation and Safety Committee of the Senate and the Transportation Committee of the House of Representatives by March 1, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact - To the extent the Department of Transportation undertakes a project pursuant to this legislation; one-time costs for development and construction are reasonably estimated to exceed \$1,000,000; and recurring costs for operation and maintenance are reasonably estimated to exceed \$100,000. Depending on the specifics of any given project undertaken, the costs could be funded with various combinations of federal, state, and local funding. The timing for any such expenditure is unknown. In addition, and to the extent user fees could be charged, some portion or all expenditures incurred could be recaptured.

Assumptions for the bill as amended:

- TDOT is currently not authorized to construct or improve the shoulder of any highway or right-of-way on the state system for the operation of buses.
- Due to multiple unknown factors, such as the number of projects that will be undertaken by TDOT as a result of this bill as amended, the design of any such projects, and the timing of any such projects, determining a precise fiscal impact for the legislation is difficult. However, any one-time costs associated with constructing or improving a shoulder on a highway or right-of-way for the operation of buses is expected to be significant and reasonably estimated to exceed \$1,000,000; any recurring costs for operation and maintenance is reasonably estimated to exceed \$100,000.
- Depending on the specifics to any project undertaken, the funding of such costs could be paid with various combinations of federal, state, and local funding. The extent to which any such funding that would be available at any given time for this purpose is unknown.
- To the extent user fees are charged following the completion of any such project, it is reasonable that some portion or all expenditures contributed toward the project could be recaptured.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any impact due to the Department submitting a report on the status of any shoulder right-of-way for the construction or improvement for a bus operation is estimated to be not significant and accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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